

SUMMARY ANALYSIS OF AMENDED BILL

Author: Oropeza Analyst: Deborah Barrett Bill Number: SB 920
 Related Bills: See Prior Analysis Telephone: 845-4301 Amended Date: August 20, 2007
 Attorney: Tommy Leung Sponsor: _____

SUBJECT: Disclosure of State Income Tax Data to State Controller's Office

DEPARTMENT AMENDMENTS ACCEPTED. Amendments reflect suggestions of previous analysis of bill as introduced/amended _____.

AMENDMENTS IMPACT REVENUE. A new revenue estimate is provided.

AMENDMENTS DID NOT RESOLVE THE DEPARTMENT'S CONCERNS stated in the previous analysis of bill as introduced/amended _____.

FURTHER AMENDMENTS NECESSARY.

DEPARTMENT POSITION CHANGED TO _____.

REMAINDER OF PREVIOUS ANALYSIS OF BILL AS AMENDED May 1, 2007, STILL
☒ APPLIES.

OTHER – See comments below.

SUMMARY

This bill would authorize the Franchise Tax Board (FTB) to disclose specified information from business entity returns to the State Controller's Office (SCO) for use in administration of the Unclaimed Property Law.

SUMMARY OF AMENDMENTS

The August 20, 2007, amendments removed provisions requiring the Board of Equalization to provide data to SCO and removed gross receipts from the data elements FTB is required to provide to SCO. Since the May 1, 2007, analysis, the three-member Franchise Tax Board voted to support the provisions of this bill. The "Position," "This Bill," and "Fiscal Impact" discussions have been revised and language to fund the department's costs are included in this analysis. The remainder of the department's analysis of the bill as amended May 1, 2007, still applies.

Board Position:

☒ S _____ NA _____ NP
 _____ SA _____ O _____ NAR
 _____ N _____ OUA _____ PENDING

Legislative Director

Date

Brian Putler

9/5/07

POSITION

On June 27, 2007, the Franchise Tax Board voted 2-0 to support this bill, with the representative from Department of Finance abstaining.

Summary of Suggested Amendments

Amendment 1 is provided to suggest appropriation language to fund the department's costs.

THIS BILL

This bill would authorize FTB, subject to federal requirements, to annually provide SCO with specific information from the business entity returns or other business entity records maintained by FTB. The information authorized for disclosure by this bill would include the following:

- Taxpayer name,
- Taxpayer identification number,
- Taxpayer address, and
- Taxpayer's principal business activity code.

The bill would limit the use of the information disclosed under this bill for purposes of determining compliance with the Unclaimed Property Laws administered by SCO.

FISCAL IMPACT

The department estimates that it would cost approximately \$23,000 to execute a data sharing agreement and extract and electronically transmit the data to SCO. These costs would be reimbursed by SCO through an interagency agreement. Appropriation language is provided to increase the reimbursement authority for the department.

LEGISLATIVE STAFF CONTACT

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FRANCHISE TAX BOARD'S
PROPOSED AMENDMENTS TO SB 920
As Amended August 20, 2007

AMENDMENT 1

On page 5, after line 23, insert:

SEC. 2. The sum of twenty three thousand dollars (\$23,000) is hereby appropriated to the Franchise Tax Board in augmentation of item 1730-001-0001 of the Governor's Budget, Chapter XX, Statutes of 2007.